



State of Hawaii Employer-Union Health Benefits Trust Fund Newsletter for Active Participants
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**Message from the
Administrator**

Aloha!

To say that we are operating in a challenging environment would be an understatement. All of us who work in the public sector realize that the global and national economic turmoil has reached our shores and it affects all of us.

Since last November, the Board of Trustees has been wrestling with renewal rates and benefit levels for the EUTF health plans. As we go to press the Board has been unable to reach agreement on any of the options presented. As provided in the EUTF rules, the Board invited the Federal mediator to assist in seeking resolution. So far mediation has not born fruit, but the effort continues.

As detailed in this newsletter, the Trustees did act to ensure that all employees will continue to have benefit plans in July, after the current plans expire June 30. Once the Board makes final decisions for the whole plan year (July 2009 – June 2010), the EUTF will schedule a full open enrollment period. That way you will be able to consider what plans you want and whether to make changes with the full knowledge of the benefit plan options and your share of the premiums. Until then, the Board authorized changes needed to avoid hardships.

The EUTF realizes the unprecedented nature of the current situation. We are committed to assisting you with your benefit related needs and to keeping you informed as best we can. Please check the EUTF web site www.eutf.hawaii.gov for periodic updates.

Jim Williams



IMPORTANT NOTICE

OPEN ENROLLMENT POSTPONED

The EUTF Open Enrollment Period previously scheduled and announced for May 18 – June 12, 2009 has been cancelled and will be

rescheduled at a later date. Due to the severity and complexity of the State's fiscal situation, along with the necessity of sizeable rate increases, the EUTF Board of Trustees has not been able to reach agreement on the benefit plans and rates to be offered for the plan year beginning July 1, 2009. The EUTF open enrollment period will be scheduled only after the Board finalizes the necessary decisions.

**CURRENT BENEFIT PLANS TO CONTINUE
FOR THE MONTH OF JULY**

In order to ensure that employees retain coverage under the EUTF benefit plans, the Board of Trustees approved a one-month extension of all current benefit plans for the month of July 2009. Rate increases will apply to certain benefit plans. Revised benefit plan rates, including payroll deduction amounts, will be distributed through employers as soon as they are available. A statement showing current Benefit Plan enrollments also will be distributed to employees in May.

**SPECIAL LIMITED OPEN ENROLLMENT
FOR HARDSHIP CASES**

The Board of Trustees authorized the EUTF Administrator to hold a special limited open enrollment to provide for employees to make changes effective July 1 in order to prevent hardship due to health, personal or financial reasons. The Administrator has determined that the special limited open enrollment will be held from May 15 – June 12, 2009. If you believe you qualify, submit an Enrollment Change Form (EC-1) and attach a brief explanation of why the change is needed and how inability to make the change would create a hardship for you and/or your family. Forms are available on the web site or through your personnel office. Please complete an EC-1 with your selections, sign and date the form, attach your hardship explanation and return the form and attachment to your personnel office or designated health benefits coordinator for processing and routing by the June 12, 2009 deadline. Please do not send the EC-1 directly to the EUTF. All forms must be reviewed and signed by your Department Personnel Officer (DPO).

**ADDITIONAL INFORMATION WILL
BE POSTED AT**

**www.eutf.hawaii.gov AS IT
BECOMES AVAILABLE**

More About the Limited Special Open Enrollment

Why did the EUTF cancel the regular open enrollment? Employees need to have all the information about the benefit plans to be offered, including co-payments, deductibles, coverage and rates before making the plan choices that they will then keep until June 2010. Until the Board of Trustees makes decisions about the benefit plans and respective rates for the full plan year, the EUTF cannot provide this information to employees.

What does “limited special open enrollment” mean? “Limited” refers to the idea that only those employees who would have a hardship in maintaining current plan enrollments will be able to make changes effective July 1. “Special” means the open enrollment is not the regular period (to be scheduled at a later date), but rather it is an additional opportunity to take care of those in special or unique situations.

What do you mean by “hardship” reasons? Hardship depends on the circumstances. A person who has been waiting to change from a regular medical plan to a supplemental medical plan to save money, because the family now is covered by the spouse’s plan may experience a financial hardship unless a change is permitted. An employee that could not enroll during the plan year due to EUTF premium requirements may experience a hardship because the family would be without medical coverage. An employee in an HMO who wants to use a non-HMO doctor for a major procedure may experience a medical hardship if the change to the PPO plan is not permitted. These are examples, so there may be other situations that qualify as hardship reasons to make changes.

How do I know if my reason for change qualifies as a hardship? The only way to find out is to submit the EC-1 form and to include a brief, but clear statement of why the change is needed and how it would be a hardship if the change is not allowed. Forms submitted without an explanation will be returned without action by the EUTF. The Board has given the EUTF Administrator broad discretion to approve changes.

PPO Medical and Rx Benefits are now unbundled effective July 1, 2009 for Active Employees

For yourself: You have the option to choose either all the plan benefits or a la carte. Example: Medical, Drug, Vision and Dental OR Medical Only, Drug Only, Vision Only, Dental Only Or Any Combination

****HMSA HMO, HDHP, Supplemental and Kaiser participants must take both medical and drug plans as a bundle.**

For your dependents: You have the option to choose the plan benefits for your dependents based upon your own selections or none at all. Your dependent(s) medical plan must be the same plan as yours. Also, dependents may not enroll in a plan that you do not enroll in. (For example, if you do not enroll in a dental plan, your spouse may not enroll in a dental plan.)

InformedRx (formerly NMHC) Clinical Changes effective July 1, 2009

Effective July 1, 2009, the Board of Trustees has approved benefit changes to the EUTF prescription drug program for all non-Medicare eligible participants. In an effort to provide quality health benefits while containing costs, informedRx will be implementing the following changes on behalf of the EUTF. NMHC recently changed its name to informedRx.

Generic Drug Incentive Program

The Generic Drug Incentive Program will require a participant to use a generic alternative medication, if available, in place of the brand name medication. If the brand named medication is prescribed by your physician or if you choose the brand medication in lieu of the generic, you will be responsible for the generic co-payment plus the difference in price between the generic and brand name medications.

Formulary Grandfathering Removal

In the transition from HMSA to informedRx (NMHC) in 2007, participants that were utilizing a HMSA preferred drug product were “grandfathered” at the preferred tier level co-payment to assist in the ease of the transition. Effective July 1, 2009, the “grandfathered” HMSA preferred drugs will expire. All Non-Preferred medications will require the applicable co-payment beginning 7/1/09 regardless of the co-payment previously calculated.

Utilization Management Guidelines

In an ongoing effort to effectively manage prescription drug benefits, the following clinical guidelines will be included as part of the EUTF prescription benefit plan design.

1. **Quantity Limitations** - Ensures you receive the medication in the quantity considered safe by the U.S. Food & Drug Administration (FDA), medical studies and input, review, and approval from the informedRx National Pharmacy and Therapeutics Committee.
2. **Step Therapy** – Encourages the use of lower-cost alternatives (First-Line Agents) to prescribed medications.
3. **Contingent Therapy Protocol:** Ensures medications are being used as approved by the FDA.

Maintenance Mail Order Program

The Maintenance Mail Order Program will require a participant to obtain their maintenance medications through informedRx’s mail order pharmacy, informedMail, after 3 fills at a retail pharmacy. InformedMail offers an easy cost-effective and convenient way to receive your maintenance medications. With informedMail, you will receive up to a 90 day supply of prescription medication for one mail order co-payment.

Reference Based Pricing

Due to many brand named medications having lower costing generics and over-the-counter (OTC) equivalents, the EUTF will be adopting a Referenced Based Pricing program. With this program, the most cost-effective FDA-approved drug will be designated as the “Preferred Drug” within each drug category. Participants who take the “Preferred Drug” will only be responsible for their co-payment. If you choose to take any non-preferred drug in the category, you will be responsible for the copayment plus the difference between the cost of the preferred drug and the non-preferred drug. Reference Based Pricing will apply to three drug classes: *Proton Pump Inhibitors* (PPIs – used to treat stomach ulcers and gastric reflux), *Statins* (used to treat high cholesterol) and *Non-Sedating Antihistamines* (used to treat allergies). Specific examples of how the Reference Based Pricing works will be included in future communications with EUTF Plan participants.

Ascend SpecialtyRx

The EUTF has moved coverage and management of self administered injectable specialty drugs from HMSA and HMA medical plans to the prescription drug plan. To support this move in coverage, the EUTF has selected Ascend SpecialtyRx as their exclusive specialty pharmacy provider. Ascend SpecialtyRx will send your specialty medications directly to your home or office and provide you with clinical expertise consultation, when and as you need it.

Specialty Drug Tier

A Tier 4 “Specialty Drug” tier will be added to the EUTF formulary. Medications that fall within the Specialty tier will be subject to a 20% member co-insurance. All Tier 4 Specialty drugs will have a \$250 co-payment maximum per fill and a \$2,000 out of pocket maximum per year.

For more information on your prescription drug plan, please contact the informedRx (formerly NMHC) Customer Care Center at 1-866-533-6977. The Customer Care Center is available 24 hours a day, 7 days a week. Additional details of the programs outlined above will be forthcoming, including direct contact by NMHC as appropriate.